

~~ADMINISTRATIVE INTERNAL USE ONLY~~SD  
21 MAR 1975

MEMORANDUM FOR: Chief, Operations Support Branch

SUBJECT : Study on the Past and Projected Impacts of  
Inflation on DD/A Operations

REF : Memo of 17 Mar 75 to all DD/A Staffs and  
Divisions, same subj.

1. Information to follow is provided in response to Chief, Operations Support Branch request for Chief, Supply Management Branch (SMB) comments on the subject of reference.

2. Review of SMB stock procurements for the calendar years of 1973, 1974 and thus far in 1975 indicates a number of contradictory inflationary trends. For example, the price of paper clips increased 785 percent; the price of Kraft file folders went up 812 percent; and the price of a particular model of microfiche viewer decreased by 22 percent. Since these examples represent extremes, line items were selected at random from the property categories indicated below. Prices paid in 1973 were used to peg the different costs encountered in 1974 and thus far in 1975, with the following results:

|   | DOLLAR COST COMPARISONS |             |             |
|---|-------------------------|-------------|-------------|
|   | <u>1973</u>             | <u>1974</u> | <u>1975</u> |
| 1. Electrical--NSA items,<br>connectors, relays,<br>batteries, cable,<br>electron tubes, diodes<br>and test equipment | \$100                   | \$116       | \$121       |
| 2. Photo supplies--film, paper<br>and developer   | \$100                   | \$100.30    | \$ 84       |
| 3. Office machines  | \$100                   | \$ 95       | \$ 92       |
| 4. Office furniture, including<br>filing cabinets   | \$100                   | \$105       | \$125       |
| 5. Office supplies, paper clips,<br>envelopes, duplicating<br>paper and file folders                                  | \$100                   | \$132       | \$239       |
| 6. Consolidation of 1 through<br>5 above  | \$100                   | \$107       | \$119       |

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3. Please advise if statistical samplings in other  
formats are desired.

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Chief, Supply Management Branch